



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650; Fax: 301-333-7010

**Conditional Approval 675
February 2005**

January 27, 2005

Brian D. Carlson, President
Excel National Bank
9701 Wilshire Boulevard
Beverly Hills, California 90212

RE: Excel National Bank
Beverly Hills, California
OCC Control Number: 2003-WE-01-0010

Dear Mr. Carlson and Members of the Board:

The Comptroller of the Currency (OCC) has found that you have met all requirements it imposed and completed all steps necessary to commence the business of banking. Specifically, you have met all the preopening requirements connected with your preliminary conditional approval dated April 28, 2004, as modified in our letter dated January 12, 2005.

You are authorized to open Excel National Bank (Bank) on February 1, 2005. We will forward you a Charter Certificate under separate cover.

You are reminded that several of the standard requirements enclosed in the preliminary conditional approval letter dated April 28, 2004 will continue to apply once the Bank opens and, by opening, you agree to subject your association to these requirements of operation. Some of the requirements bear reiteration here:

1. Regardless of the association's FDIC insurance status, the association is subject to the Change in Bank Control Act (12 USC 1817(j)) by virtue of its national bank charter.
2. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintaining an internal control system that ensures compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act (BSA). The board must train its personnel in BSA procedures and designate one person or a group to monitor day-to-day compliance.

This final approval is subject to the following conditions and the conditions imposed in the preliminary conditional approval and in this final authorization:

1. The Bank: (i) shall give the OCC's Southern California North Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations¹ and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it seems appropriate in a written determination of no objection to a bank's notice. For the first three years of operation, the Bank must also provide a copy of such notice to the FDIC's San Francisco Regional Office.
2. Prior to implementing a transactional web site:

The Bank must submit to the Southern California North Field Office for review and approval a complete description of the bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication, and business resumption contingency plans.

The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed below. An objective, qualified independent source (Reviewer) must conduct the review. The scope should cover:

- All access points, including the Internet, Intranet, or remote access.
- The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, see

¹ If such deviation is the subject of an application filed with the OCC, the OCC does not require any further notice to the supervisory office.

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“The Internet and the National Bank Charter” booklet of the Comptroller’s Licensing Manual, sections “Risk Considerations -- Information System Security” and “Appendix A: Sample Business Guidelines -- Records, Systems, and Controls.” The booklet is located at the Electronic Banking section of the OCC's web site: www.occ.treas.gov/netbank/letters.htm.

3. The Bank must notify all potential technology-related vendors in writing of the OCC’s examination and regulatory authority under 12 USC 1867(c).² All final technology-related vendor contracts must stipulate that the performance of services provided by the vendors to the Bank is subject to the OCC’s examination and regulatory authority.

These conditions of approval are conditions “imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

This final approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States (U.S.), any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

On behalf of the OCC, welcome to the national banking system. If you have any questions about the supervision of your Bank, please contact Assistant Deputy Comptroller Dorothy Sander-Ziegler in our Southern California North Field Office at (818) 240-9192. For questions about this decision letter or other licensing matters, please contact Senior Licensing Analyst Jim Bundy at (720) 475-7656.

Sincerely,

/s/ Ellen Tanner Shepherd

Ellen Tanner Shepherd
Licensing Manager

² The OCC has the authority to assess the Bank for the cost of examining a service provider. See 12 CFR 8.6